



**Municipal Services Commission  
of the City of New Castle**

## The Bedwell Family

**Secretary's Message >**

**Resources and Calendar >**

**Tour of MSC Facilities >**

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**Electric Operations >**

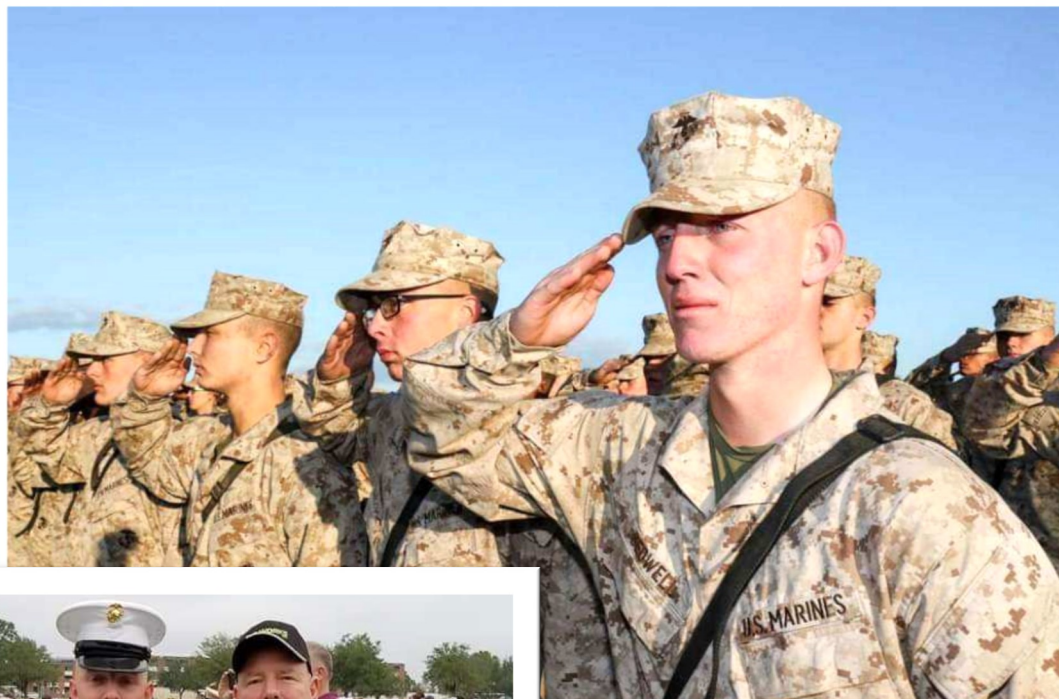
**Water Operations >**

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**Efficiency Smart Presentation >**

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# Secretary's Report

Each fiscal year (*a one year period that companies and governments use for financial reporting and budgeting. A fiscal year is most commonly used for accounting purposes to prepare financial statements*) the Municipal Services Commission (MSC) hires a certified public accounting firm to perform a financial statement audit.

Management's responsibility is to prepare and fairly present the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the design, implementation, and maintenance of internal controls developed to prevent material misstatements.

The auditor's responsibility is to express an opinion on the financial statements based on their audit procedures. In the auditor's opinion, the MSC's financial statements presented fairly, in all material respects, the financial position of the Commission as of March 31, 2019 and 2018 in accordance with accounting principles generally accepted in the United States of America.

This edition of the newsletter provides the citizens of New Castle with the financial statements. You can find the complete report on the MSC website <https://newcastlemsc.delaware.gov/> Please feel free to stop in and discuss any questions or concerns you may have regarding the financial health of the MSC.

In addition to the financial statements, please take a look at the photos from the MSC's tour of the City's water and electric facilities, read about the Bedwell family in "Meet Our Customer", learn some helpful safety hints regarding holiday decorating and get updated on the recent electric and water department projects.

Do not forget to consider utilizing LED light bulbs which can make a significant difference in your electric consumption.

Have a Happy and Safe Holiday Season!!

*Pamela A. Patone*  
*General Manager/Secretary*



# Resources

## At Your Fingertips

City Administration Office    **322-9801**

Mayor's Office    **322-9802**

Public Works Department    **322-9813**

MSC Main Office    **323-2330**

MSC Utility Building    **323-2333**

Pamela A. Patone    **221-4513**  
**Secretary / General Manager**

Mary Jane Stubbs    **323-2332**  
**Business Manager / Treasurer**

Tara French    **221-4517**  
**Accounting & Customer Service Manager**

Scott Blomquist    **221-4514**  
**Electric Utility Manager**

Jay Guyer    **221-4515**  
**Water Utility Manager**

**Planning a project at home which  
involves digging on your property?**  
**Call MISS UTILITY**  
**1-800-282-8555**

# Calendar Of Events

December 24th - Christmas Eve - MSC Closed

December 25th - Christmas Day - MSC Closed

January 1st - New Years Day - MSC Closed



**Dr. Roy J. Sippel**  
**President**

Appointed by The Mayor  
Term: April 1, 2019 to March 31, 2022



**Daniel F. Knox**  
**Commissioner**

Appointed by City Council  
Term: April 1, 2017 to March 31, 2020



**Dr. Allen R. Hansen**  
**Commissioner**

Appointed by the Trustees  
Term: April 1, 2018 to March 31, 2021





# Mayor, City Council, and Trustees Tour MSC Electric and Water Facilities



On September 14, 2019, the MSC invited the Mayor, City Council and Trustees of New Castle Common to tour the City's Electric and Water Infrastructure. Knott's Bus Service assisted in taking 30 visitors to the electric substations, water treatment facilities and everyone was even allowed to explore inside of the Million Gallon Tank. Commission staff were on hand to answer questions and a lunch was provided at the end of the tour. The event was educational and fun for all. We look forward to offering similar tours to interested members of the community in the future.





# Meet Our Customer

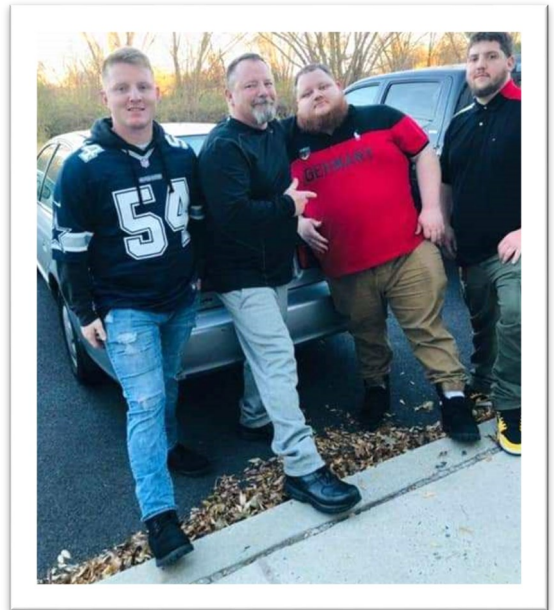
Earl Bedwell and his family have lived in the Dobbinsville area of New Castle all their life. Earl is a hardworking man as he currently works for Smith Paving, Cochran Oil and owns and operates his own plowing company. He was married to Stephanie Bedwell for years and raised four sons, Earl, Jr. Mark, John and Joe. In his spare time, he enjoys riding his Harley Davidson, spending time with Tammy (his significant other), his sons and his three grandchildren.

In 2017 when the MSC was making water system improvements, Earl and Tammy wanted to be sure Clark Street and the grassy area nearby were clear of construction because they were having a graduation party for Earl's son Joe. Joe was graduating from High School and joining the Marines. The family was clearly proud of Joe and as you can see in the photos, Joe had a nice graduation party and after 2 years of being in the military wears his uniform with pride. Tammy, who

works at Portofino's Restaurant, indicated Joe was home for Thanksgiving and will serve our country for at least another four years.

The MSC would like to thank Earl and Tammy for helping us communicate the progress of the water project to the Dobbinsville residents in 2017 and also thank Joe for representing New Castle in the United State Marines.

Happy Holidays to all the Bedwell family!!!





# Electric Operations

## Van Dyke Village Aerial to Underground Electric Conversion Project



Work has progressed on the Van Dyke Project. Several transformers and wire have been placed underground and street lights installed. Crews advised the start was slow due to some challenges with the location of gas lines, however, they now feel more comfortable with the process and are moving along. In addition to the electric wires being placed underground, Comcast is moving their service underground as well. Citizens will see a small green pedestal for the Comcast wires and a flat green pad where the electric transformer is located. (see photos)

Citizens in Van Dyke have been very understanding of the disturbance and appreciative for the street lights. Crews are making every attempt to communicate with those affected and to restore their grass, sidewalks and driveways to the same condition prior to the disturbance.

The crews expect to continue work in 2020 and finish Stuyvesant and 14<sup>th</sup> Street before the end of the year. In 2021, the plan is to begin New Amstel, Casimir Drive and Casimir Court. Work will continue on through 2022 & 2023. With the cooperation of the weather and any other unforeseen issues, the expected completion is the end of calendar year 2023.

The MSC appreciates everyone's continued support of this important project which will improve reliability of services to all. Please feel free to contact Pamela Patone, General Manager if you have any questions or concerns at 302-323-2330.





# Water Operations

## Delaware Street Water Main Replacement, Cleaning and Lining Project

The Citizens of New Castle have a new water main on Delaware Street in the intersections of 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> Streets. This past Summer, MSC's crews along with our Contractors Brandywine Construction Company and J. Fletcher Creamer and Son, Inc. replaced the 1880's vintage cast iron water mains in the intersections noted above and cleaned and lined the water mains on Delaware Street between the intersections noted above including 4<sup>th</sup> Street between Delaware and Harmony Streets. This was a challenging project due to the traffic flow and MSC's desire to have minimal outages during the construction. The businesses along Delaware Street and affected citizens were very patient and MSC staff received many compliments during the project. There were lessons learned which will be implemented so future projects will be improved upon. It is expected the useful lives of the replaced mains will be 100 years and the cleaned and lined mains will provide an additional 50 years of service. MSC is proud of our continued commitment to the water department's Capital Improvement Plans and Projects which increase water quality, fire flow, and system reliability.





**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**STATEMENTS OF NET POSITION**  
**MARCH 31, 2019 AND 2018**



	<u>2019</u>	<u>2018</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,516,620	\$ 1,975,282
Investments	1,126,520	1,094,359
Accounts receivable, net	585,806	610,658
Dividends receivable	221	191
Other receivables	17,348	12,383
Inventory	673,226	620,429
Prepaid expenses	134,782	84,586
Total Current Assets	<u>5,054,523</u>	<u>4,397,888</u>
Restricted Assets:		
Cash and cash equivalents - restricted	<u>733,128</u>	<u>864,659</u>
Noncurrent Assets:		
Land	45,386	45,386
Construction-in-progress	181,523	75,308
Property, plant and equipment	23,820,549	23,264,611
Less: Accumulated depreciation	<u>(12,942,444)</u>	<u>(12,262,232)</u>
Total Noncurrent Assets	<u>11,105,014</u>	<u>11,123,073</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pension	200,878	128,908
Deferred outflows - DEMEC	<u>2,520,035</u>	<u>2,227,630</u>
Total Deferred Outflows	<u>2,720,913</u>	<u>2,356,538</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 19,613,578</b></u>	<u><b>\$ 18,742,158</b></u>





**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**STATEMENTS OF NET POSITION**  
**MARCH 31, 2019 AND 2018**



	<u>2019</u>	<u>2018</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 561,995	\$ 587,114
Accrued expenses	-	769
Payroll withholdings payable	13,574	10,644
Accrued wages	20,640	18,981
Developer deposits	9,504	39,083
Other liabilities	1,066	1,676
<b>Total Current Liabilities</b>	<u>606,779</u>	<u>658,267</u>
Noncurrent Liabilities:		
Escrow deposits	4,449	4,406
Customer deposits	728,679	860,253
Accrued compensated absences	367,477	343,395
Net pension liability	981,281	850,265
<b>Total Noncurrent Liabilities</b>	<u>2,081,886</u>	<u>2,058,319</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension	<u>136,917</u>	<u>158,918</u>
<b>NET POSITION</b>		
Net investment in capital assets	11,105,014	11,123,073
Unrestricted	5,682,982	4,743,581
<b>TOTAL NET POSITION</b>	<u>16,787,996</u>	<u>15,866,654</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 19,613,578</u>	<u>\$ 18,742,158</u>



**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**



	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES:</b>		
User charges	\$ 11,222,544	\$ 10,960,576
City service charges	68,351	72,553
Free service	53,218	52,127
Miscellaneous	82,548	66,527
<b>TOTAL OPERATING REVENUES</b>	<u>11,426,661</u>	<u>11,151,783</u>
LESS: Free service	(7,204)	(8,326)
<b>NET OPERATING REVENUES</b>	<u>11,419,457</u>	<u>11,143,457</u>
 <b>PURCHASE OF POWER AND WATER</b>	 6,343,729	 6,567,286
 <b>OPERATING EXPENSES</b>	 2,606,198	 2,540,898
 <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	 <u>990,241</u>	 <u>947,751</u>
 <b>OPERATING INCOME</b>	 <u>1,479,289</u>	 <u>1,087,522</u>
 <b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income	37,985	33,883
Gain (loss) on sale of assets	-	-
Grant income	-	49,995
Grant expense	-	-
Appropriations to the Mayor and Council of New Castle:		
Ordinary	(657,634)	(665,353)
City services	(22,951)	(21,382)
Special	(7,612)	(18,874)
Realized loss on investments	(97)	(18,046)
Unrealized gain (loss)	(5,665)	10,060
<b>TOTAL NONOPERATING EXPENSES</b>	<u>(655,974)</u>	<u>(629,717)</u>
 <b>CAPITAL CONTRIBUTIONS</b>		
Private developer contributions	<u>98,027</u>	<u>20,922</u>
 <b>CHANGE IN NET POSITION</b>	 921,342	 478,727
 <b>NET POSITION, BEGINNING OF YEAR</b>	 <u>15,866,654</u>	 <u>15,387,927</u>
 <b>NET POSITION, END OF YEAR</b>	 <u>\$ 16,787,996</u>	 <u>\$ 15,866,654</u>





**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**COMBINING SCHEDULES OF REVENUES AND EXPENSES BY DEPARTMENT**  
**FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**



	Water Department		Electric Department		Total	
	2019	2018	2019	2018	2019	2018
<b>OPERATING REVENUES:</b>						
User charges	\$ 1,747,640	\$ 1,619,841	\$ 9,474,904	\$ 9,340,735	\$ 11,222,544	\$ 10,960,576
City service charges	19,141	21,382	49,210	51,171	68,351	72,553
Free service	4,134	2,299	49,084	49,828	53,218	52,127
Miscellaneous	33,511	29,799	49,037	36,728	82,548	66,527
<b>TOTAL OPERATING REVENUES</b>	<b>1,804,426</b>	<b>1,673,321</b>	<b>9,622,235</b>	<b>9,478,462</b>	<b>11,426,661</b>	<b>11,151,783</b>
LESS: Free service	(1,376)	(2,386)	(5,828)	(5,940)	(7,204)	(8,326)
<b>NET OPERATING REVENUES</b>	<b>1,803,050</b>	<b>1,670,935</b>	<b>9,616,407</b>	<b>9,472,522</b>	<b>11,419,457</b>	<b>11,143,457</b>
 <b>PURCHASE OF POWER AND WATER</b>	 25,770	 25,049	 6,317,959	 6,542,237	 6,343,729	 6,567,286
 <b>OPERATING EXPENSES</b>	 1,324,182	 1,296,759	 1,282,016	 1,244,139	 2,606,198	 2,540,898
 <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	 376,436	 358,631	 613,805	 589,120	 990,241	 947,751
 <b>OPERATING INCOME</b>	 <b>76,662</b>	 <b>(9,504)</b>	 <b>1,402,627</b>	 <b>1,097,026</b>	 <b>1,479,289</b>	 <b>1,087,522</b>
 <b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income	6,192	4,739	31,793	29,144	37,985	33,883
Gain/(Loss) on sale of assets	-	-	-	-	-	-
Grant income	-	49,995	-	-	-	49,995
Grant expense	-	-	-	-	-	-
Private developer contributions	16,060	20,922	81,967	-	98,027	20,922
Appropriations to the Mayor and Council of New Castle:						
Ordinary	(95,647)	(95,248)	(561,987)	(570,105)	(657,634)	(665,353)
City services	(22,951)	(21,382)	-	-	(22,951)	(21,382)
Special	(4,412)	(8,161)	(3,200)	(10,713)	(7,612)	(18,874)
Realized losses on investments	(15)	(2,707)	(82)	(15,339)	(97)	(18,046)
Unrealized Gains/(Losses)	(850)	1,509	(4,815)	8,551	(5,665)	10,060
 <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	 <b>(101,623)</b>	 <b>(50,333)</b>	 <b>(456,324)</b>	 <b>(558,462)</b>	 <b>(557,947)</b>	 <b>(608,795)</b>
 <b>CHANGE IN NET POSITION</b>	 <b>\$ (24,961)</b>	 <b>\$ (59,837)</b>	 <b>\$ 946,303</b>	 <b>\$ 538,564</b>	 <b>921,342</b>	 <b>478,727</b>



**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**COMBINING SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT**  
**FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**



	<u>Water Department</u>		<u>Electric Department</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>OPERATING EXPENSES:</b>						
Clothing allowance	\$ 3,910	\$ 4,497	\$ 7,579	\$ 8,142	\$ 11,489	\$ 12,639
Computer expense	11,557	9,912	13,188	16,945	24,745	26,857
Depreciation:						
Plant and equipment	365,681	356,640	192,114	222,410	557,795	579,050
Trucks and autos	16,268	35,536	63,792	43,432	80,060	78,968
Employee benefits	111,942	119,627	137,839	122,348	249,781	241,975
Engineering fees	-	146	-	1,760	-	1,906
Equipment rental	390	927	631	714	1,021	1,641
Insurance	58,079	55,933	46,837	47,242	104,916	103,175
Payroll taxes	36,541	37,257	43,244	41,641	79,785	78,898
Pension expense	89,204	58,856	87,615	71,403	176,819	130,259
Plant materials and supplies	3,257	2,223	3,966	3,964	7,223	6,187
Repairs and maintenance:						
Buildings and grounds	5,608	5,954	2,264	2,360	7,872	8,314
Hydrants, mains, and valves	20,303	11,560	-	-	20,303	11,560
Lines and poles	-	-	8,331	34,515	8,331	34,515
Meters and services	6,298	5,299	1,099	911	7,397	6,210
Pumping stations	30,161	30,025	-	-	30,161	30,025
Street lights	-	-	4,279	2,463	4,279	2,463
Substations	-	-	5,013	5,147	5,013	5,147
Salaries and wages	475,083	481,447	563,143	547,539	1,038,226	1,028,986
Safety expense	1,481	882	5,209	1,963	6,690	2,845
Sampling and testing	11,561	4,519	21,011	13,392	32,572	17,911
Security	-	205	288	3,302	288	3,507
Seminars/Training	9,241	5,350	9,546	2,506	18,787	7,856
Supplies	17,866	13,471	25,092	16,798	42,958	30,269
Truck expense	19,444	17,384	29,555	22,661	48,999	40,045
Utilities	30,307	39,109	10,381	10,581	40,688	49,690
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,324,182</b>	<b>\$ 1,296,759</b>	<b>\$ 1,282,016</b>	<b>\$ 1,244,139</b>	<b>\$ 2,606,198</b>	<b>\$ 2,540,898</b>





**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**COMBINING SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES BY DEPARTMENT**  
**FOR THE YEARS ENDED MARCH 31, 2019 AND 2018**

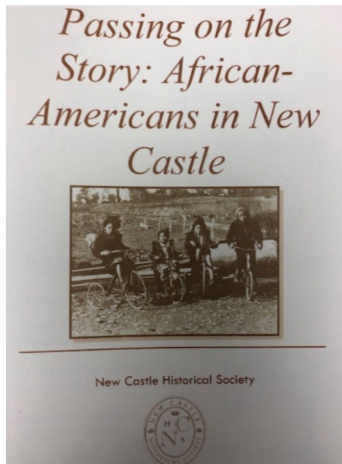
	Water Department		Electric Department		Total	
	2019	2018	2019	2018	2019	2018
<b>GENERAL AND ADMINISTRATIVE EXPENSES:</b>						
Administrative	\$ 19,249	\$ 16,114	\$ 25,358	\$ 24,625	\$ 44,607	\$ 40,739
Bad debts	875	3,732	4,565	18,557	5,440	22,289
Computer Expense	16,960	15,010	20,729	18,346	37,689	33,356
Depreciation - furniture and fixtures	15,113	13,724	29,135	16,774	44,248	30,498
Dues and subscriptions	3,488	3,038	1,999	1,456	5,487	4,494
Employee benefits	30,360	31,331	51,134	46,869	81,494	78,200
Fees and permits	-	-	-	-	-	-
Insurance	14,428	15,296	16,081	17,346	30,509	32,642
Office salaries	173,850	166,527	306,379	292,659	480,229	459,186
Office supplies	15,666	18,281	22,216	25,844	37,882	44,125
Payroll taxes	13,761	13,469	24,140	23,293	37,901	36,762
Pension expense	24,340	13,777	52,115	45,211	76,455	58,988
Professional fees	21,909	25,150	27,679	29,749	49,588	54,899
Rent	-	-	-	-	-	-
Repairs and maintenance - equipment	5,796	5,762	7,085	7,043	12,881	12,805
Security system	2,147	1,802	2,624	2,202	4,771	4,004
Telephone	13,679	11,228	16,716	13,768	30,395	24,996
Training - administrative	3,352	2,923	4,061	3,573	7,413	6,496
Utilities and other expenses	1,463	1,467	1,789	1,805	3,252	3,272
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 376,436</b>	<b>\$ 358,631</b>	<b>\$ 613,805</b>	<b>\$ 589,120</b>	<b>\$ 990,241</b>	<b>\$ 947,751</b>

## MSC Employee Recognition/Holiday Breakfast



The MSC hosted their Employee Recognition/Holiday breakfast at the Buttonwood School and learned all about the school's history and Eugene and Teel Petty's involvement with the school. Commissioner Dan Knox was recognized for 12 years of service to the MSC.

The Buttonwood School is a hidden gem at 111 Buttonwood Ave and can be rented for functions by contacting Consuella Petty at Email: [Buttonwoodcoloredschool@gmail.com](mailto:Buttonwoodcoloredschool@gmail.com) or calling 302-547-3028







Efficiency Smart has launched the Electric Bill Advice program to help Municipal Services Commission of the City of New Castle's (MSC) residential electric customers learn more about their electric use and the steps they can take to reduce it.

MSC customers can contact Efficiency Smart to discuss their electric use and learn what can cause high electric bills. Efficiency Smart will ask a series of questions to learn more about the electric use in their homes. Customers will then receive customized energy-saving recommendations based on their responses, many of which can be no to low-cost to implement.

To get started, customers can call Efficiency Smart at 877-889-3777 or visit [www.energysmart.org/new-castle-delaware](http://www.energysmart.org/new-castle-delaware) and select "Electric Bill Advice."

On October 9, 2019, Efficiency Smart and MSC representatives were at the New Castle Library to inform citizens of the program. **Ms. Patricia Salter Flynn** was the lucky winner of a basket of Efficiency Goodies for her home.



## Holiday Safety . . .

### For You, Your family, and Your Home

Indoors or out, use only lights that have been tested for safety. The lights should have the Underwriters Laboratories (UL) label.

To hook up your outdoor lighting, use a three-prong grounded extension cord with the UL label.

Buy LED holiday lights. They are not only longer-lasting, but they don't get hot to the touch, so they're a lot safer.

When putting up lights and decorations, use a step stool or ladder to reach high places.





**Municipal Services Commission**  
**of the City of New Castle**

216 Chestnut St.  
New Castle, De 19720  
302-323-2330

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